



COMPTROLLER

APPENDIX B

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JUL 27 2006

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
UNDER SECRETARY OF DEFENSE (POLICY)
COMMANDER, UNITED STATES CENTRAL COMMAND
GENERAL COUNSEL OF THE DEPARTMENT OF
DEFENSE
SPECIAL INSPECTOR GENERAL FOR IRAQ
RECONSTRUCTION

SUBJECT: Commanders' Emergency Response Program (CERP) Guidance

Attached is revised financial management guidance and internal control and reporting requirements for the CERP.

Responsible Department of Defense officials should ensure that this guidance is applied consistently in administering the CERP in order to maintain the transparency and accountability of the program. Questions regarding the application of the guidance may be directed to my point of contact, Ms. Audrey Clark. She may be reached by telephone at (703) 695-9437 or by email at audrey.clark@osd.mil.



Tina W. Jonas

Attachment:
As stated

cc:
Chairman, Joint Chief of Staff
Defense Finance and Accounting Service

COMMANDER'S EMERGENCY RESPONSE PROGRAM (CERP)

I. References.

- A. Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, Public Law No. 108-375, section 1201.
- B. Department of Defense Financial Management Regulation (DoDFMR).
- C. Under Secretary of Defense (Comptroller) (USD(C)) Memorandum, subject: "Guidance on the Use of Appropriated Funds for the Commander's Emergency Response Program," dated February 18, 2005 (hereby rescinded).
- D. DoD Directive 5101.1, "DoD Executive Agents," September 23, 2002, certified current as of November 21, 2003.

II. Purpose and Applicability.

- A. This guidance implements Reference A by assigning responsibilities for administering the Commander's Emergency Response Program (CERP); defining the purposes for which U.S. appropriations provided for the CERP may be expended, and specifying the procedures for executing, managing, recording and reporting such expenditures.
- B. The CERP is designed to enable local commanders in Iraq and Afghanistan to respond to urgent humanitarian relief and reconstruction requirements within their areas of responsibility by carrying out programs that will immediately assist the indigenous population. The CERP may be used to assist the Iraqi and Afghan people in the following representative areas:
 - (1) Water and sanitation;
 - (2) Food production and distribution;
 - (3) Agriculture;
 - (4) Electricity;
 - (5) Healthcare;
 - (6) Education;
 - (7) Telecommunications;
 - (8) Economic, financial and management improvements;
 - (9) Transportation;
 - (10) Rule of law and governance;
 - (11) Irrigation;
 - (12) Civic cleanup activities;
 - (13) Civic support vehicles;
 - (14) Repair of civic and cultural facilities;
 - (15) Repair of damage that results from U.S., coalition, or supporting military operations and is not compensable under the Foreign Claims Act;
 - (16) Condolence payments to individual civilians for death, injury, or property damage resulting from U.S., coalition, or supporting military operations;

- (17) Payments to individuals upon release from detention;
 - (18) Protective measures, such as fencing, lights, barrier materials, berming over pipelines, guard towers, temporary civilian guards, etc. to enhance the durability and survivability of a critical infrastructure site (oil pipelines, electric lines, etc.), and
 - (19) Other urgent humanitarian or reconstruction projects.
- C. This guidance applies to all organizational entities within DoD. A requirement to comply with this guidance shall be incorporated into contracts, as appropriate. It covers the execution, management, recording and reporting of expenditures of U.S. appropriations and other funds made available for the CERP.

III. Responsibilities.

- A. Under Secretary of Defense (Comptroller) (USD(C)). The USD(C) shall establish and supervise the execution of principles, policies and procedures to be followed in connection with the CERP, and ensure that congressional oversight committees are timely informed of CERP activities through the quarterly reports required under subsection (b) of Reference A.
- B. Secretary of the Army. Pursuant to Reference D, the Secretary of the Army shall serve as executive agent for the CERP, and in that capacity shall promulgate detailed procedures as necessary to ensure that unit commanders carry out the CERP in a manner consistent with applicable laws, regulations, and this guidance. These procedures shall include rules for expending CERP funds through contracts and grants, in accordance with subsection IV.H. of this guidance.
- C. Commander, U.S. Central Command (USCENTCOM). The Commander, USCENTCOM shall determine the appropriate allocation of CERP funds between commands and advocate for appropriate resources and authorities in support of the theater's military global war on terrorism mission.

IV. Procedures.

- A. Proper Usage of Funds. Appropriated funds made available for the CERP shall Not Be Used for the following purposes:
- (1) Direct or indirect benefit to U.S., coalition, or other supporting personnel;
 - (2) Providing goods, services, or funds to national armies, national guard forces, border security forces, civil defense forces, infrastructure protection forces, highway patrol units, police, special police, or intelligence or other security forces;
 - (3) Except as authorized by law and separate implementing guidance, weapons buy-back programs, or other purchases of firearms or ammunition;
 - (4) Entertainment;

- (5) Reward programs;
 - (6) Removal of unexploded ordnance;
 - (7) Duplication of services available through municipal governments;
 - (8) Salaries, bonuses, or pensions of Iraqi or Afghan military or civilian government personnel;
 - (9) Training, equipping, or operating costs of Iraqi or Afghan security forces, and
 - (10) Conducting psychological operations, information operations, or other U.S., coalition, or Iraqi/Afghanistan Security Force operations.
- B. Amount. The CERP is intended for small-scale, urgent, humanitarian relief and reconstruction projects for the benefit of the Iraqi and Afghan people. Army shall separately notify USD(C) and CENTCOM J8 of all individual CERP projects of \$500,000 or greater during the normal monthly reporting process. Such separate notification shall include a description of the project, an estimated length of completion, and a justification of how the project supports the purpose of the CERP.
- C. Commingling of Funds. Consistent with Reference B, Volume 5, Chapter 2, U.S. appropriations made available for the CERP shall not be commingled with non-appropriated funds, and shall be separately executed, managed, recorded and reported.
- D. Allocation of Funds. The USD(C) shall ensure that DoD appropriations and other funds available for the CERP are properly allocated to Army for funds control and execution. Commander, USCENTCOM will notify Army of the appropriate inter-theater allocation.
- E. Delivery, Transporting and Safeguarding of Funds. Any funds made available for the CERP shall be delivered, transported and safeguarded consistent with Reference B, Volume 5, Chapter 3, "Keeping and Safeguarding Public Funds."
- F. Appointment of Pay Agents. Pay agents responsible for making disbursements of funds under the CERP shall be appointed consistent with Reference B, Volume 5, Chapter 2, "Disbursing Offices, Officers and Agents."
- G. Documentation of Payments. Payments under the CERP shall be made and documented consistent with Reference B, Volume 5, Chapter 11, "Disbursements," and Volume 10, Chapter 9, "Supporting Documents to Payment Vouchers."
- H. Contracts and Grants. U.S. appropriations and other funds made available for the CERP may be expended through contracts and grants that are prepared and executed in accordance with regulations designed to ensure transparency, fairness and accountability. To the maximum extent practicable, these regulations shall be consistent with Coalition Provisional Authority Memorandum Number 4, Contract

and Grant Procedures Applicable to Vested and Seized Iraqi Property and the Development Fund for Iraq, dated August 19, 2003.

- I. Circumventing Limits. Monetary limits and approval requirements may not be circumvented by "splitting" a single project through the submission of multiple purchase requests, or similar documents, or otherwise.
- J. Clearance of Accounts. Accounts maintained under the CERP shall be cleared consistent with Reference B, Volume 5, Chapter 2.
- K. Certification of Payments. Payments made under the CERP shall be certified in a manner consistent with Reference B, Volume 5, Chapter 33, "Accountable Officials and Certifying Officers."
- L. Audits and Program Reviews. The administration of the CERP will be subject to periodic audits by DoD's internal review and audit organizations, including the DoD Inspector General and the Army Audit Agency, as well as external organizations such as the Government Accountability Office and congressional oversight committees. All officials responsible for administering the CERP shall cooperate fully with any review, audit or investigation conducted by such organizations.

V. Reports and Notifications.

- A. Not later than the fifteenth day of each month, Army shall submit to the USD(C), a CERP Project Status Report as of the last day of the preceding month. The Army will provide a copy of the report to USCENTCOM J8 and the Joint Staff, J8. The CERP Project Status Report shall contain the following information by Project Category:

- (1) Unit;
- (2) Project Number;
- (3) Payment Date;
- (4) Description and location of project, and
- (5) The amount committed, obligated and disbursed for the project.

This reporting requirement applies only to appropriation-funded CERP for Iraq and Afghanistan under the scope of this guidance, and is in addition to the separate monthly requirement to report cumulative totals allocated, committed, obligated, and disbursed for all types of CERP funds in Iraq.

- B. Army, with the support of USD(C), shall be responsible for submitting to Congress the quarterly reports required under Reference A.

- C. Army, in coordination with Commander, USCENTCOM, shall promptly notify the USD(C) and the DoD General Counsel of any provisions of law that (if not waived) would prohibit, restrict, limit, or otherwise constrain the exercise of the authority provided by Reference A.

VI. Effective Period and Waivers.

- A. This guidance shall become effective immediately.
- B. Requests for waivers or exceptions to any provision of law that would (but for the waiver) prohibit, restrict, limit or otherwise constrain the execution of the CERP must be submitted through the USD(C) and DoD General Counsel to the Secretary of Defense for approval.
- C. Requests for waivers or exceptions to this guidance must be submitted to the USD(C) for approval.